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HARMONIZED SYSTEM REVIEW SUB-COMMITTEE -

23rd Session

NR0140E1 (+ Annex) O. Eng.

Brussels, 8 February 2001.

POSSIBLE AMENDMENTS TO THE EXPLANATORY NOTE TO HEADING 84.71

(Item III.A.5 on Agenda)

Reference documents:

NC0160E2, Annex G/17 (HSC/24 – Report) NR0117E1 (RSC/22) NR0133E2, Annex D/7 (RSC/22 - Report)

I. BACKGROUND

- 1. At its 22nd Session (September 2000), the Sub-Committee took note of the developments vis-à-vis the possible revision of the Explanatory Note to heading 84.71, bearing in mind that the Committee had not yet concluded its discussions on the classification of all products concerned.
- 2. At its 26th Session (November 2000), the Harmonized System Committee adopted a number of amendments to the Explanatory Note to heading 84.71 with effect from 1 February 2001, while the classification of flash electronic storage cards, DVD storage units and roamabouts was postponed (Annexes G/18, G/19 and H/2 of Doc. NC0340E2 HSC/26 Report, respectively). It also concluded that, as a result of the discussions on the line of demarcation between the units of heading 84.71 and the accessories of heading 84.73, minor amendments to the Explanatory Note to heading 84.71 should be drafted, which would be dealt with at the next session of the Committee (Annex H/1 of Doc. NC0340E2 HSC/26 Report). Similarly, in the context of the deletion of references to obsolete apparatus, the Committee decided to continue the discussion on this issue at its next session (Annex G/20 of Doc. NC0340E2 HSC/26 Report).

II. SECRETARIAT COMMENTS

3. Although the HS Committee has not yet concluded discussions on all products which could possibly be classified in heading 84.71, the Secretariat believes that the Sub-Committee can take up the issue at this session. Additional amendments could be considered once the Committee has finalized its discussions on these issues.

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- 4. To facilitate the discussions in the Sub-Committee, the Secretariat has prepared a comprehensive text of parts (I) (A) and (I) (D) of the Explanatory Note to heading 84.71, including all amendments approved by the Committee so far.
- 5. Since the Committee has not yet finalized the discussions concerning the amendments to the Explanatory Note to heading 84.71 in the context of obsolete equipment, the Secretariat has reproduced the texts to be deleted, struck through and in square brackets in the Annex to this document.
- 6. With respect to the actual proposed amendments, the Secretariat has the following comments.
- 7. To optimize the readability of the Explanatory Note to heading 84.71, the Secretariat has moved the fifth and sixth paragraphs of Part (I) (A) (on page 1403) to the beginning of that part, and the second to fifth paragraphs of the same part on page 1404, to Part (I) (D) (new second to fifth paragraphs).
- 8. Following the decisions of the Committee with respect to the classification of certain apparatus, the Secretariat has inserted references in the Explanatory Note to clarify (i) that ADP systems may be interconnected through a local area network and (ii) the classification of units performing a function other than data processing, when presented separately.
- 9. The draft amendments to the Explanatory Note to heading 84.71 are set out in the Annex to this document. The amendments proposed by the Secretariat have been underlined to facilitate discussion.

III. CONCLUSION

10. The Sub-Committee is invited to consider the proposed amendments set out in the Annex to this document, taking into account the Secretariat's comments in paragraphs 3 to 9 above.

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